

Message Text

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PAGE 01 MEXICO 09706 150003Z

ACTION EB-07

INFO OCT-01 ARA-14 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 SIL-01

LAB-04 /124 W

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R 142345Z JUN 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 2838

INFO ALL UCONS MEXICO (BY POUCH)

UNCLAS MEXICO 09706

EO 11652: N/A

TAGS: ENRG, BENC, EALR, MX

SUBJECT: PEMEX PLANS TO EXPLOIT ITS OIL RESERVES

1. SUMMARY. IN ITS EFFORTS TO INCREASE PETROLEUM PRODUCTION, PEMEX HAS ASKED A U.S. COMPANY ABOUT THE POSSIBILITY OF BUILDING SUBSTANTIAL SIZED PRODUCTION PLATFORMS IN MEXICO. ANOTHER COMPANY THINKS IT WILL BE ABLE TO DO ON-SHORE WORKOVER DRILLING AND WELL COMPLETION, ACTIVITIES HERETOFORE THE EXCLUSIVE DOMAIN OF PEMEX'S POWERFUL LABOR UNION. END SUMMARY.

2. REPRESENTATIVE OF BROWN AND ROOT TOLD PETOFF HIS FIRM HAS BEEN HIRED BY PEMEX TO STUDY THE FEASIBILITY OF CONSTRUCTING OFF-SHORE PRODUCTION PLATFORMS IN MEXICO. IN THE EXPECTATION THAT THEY WILL BE INVOLVED IN SUPERVISING CONSTRUCTION, THEY ARE IN THE PROCESS OF FORMING A JOINT VENTURE WITH A NEWLY ORGANIZED MEXICAN FIRM, PROYECTOS MARINOS. THE PLATFORMS WOULD COST ABOUT \$25 TO \$30 MILLION EACH AND, DEPENDING ON THE SOPHISTICATION OF THE DESIGN, WOULD REQUIRE ONLY ABOUT 20 PERCENT IMPORTED
UNCLASSIFIED

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PAGE 02 MEXICO 09706 150003Z

EQUIPMENT. THE PLATFORMS COULD BE BUILT AT A RATE OF ABOUT TWO PER YEAR IN EXISTING FACILITIES. IF PEMEX WANTS THEM FASTER THAN THAT, IT WOULD HAVE TO BUY THEM ABROAD. PLATFORMS WOULD HAVE 12 WELLS EACH AND COULD OPERATE IN UP TO 150 M OF WATER.

3. ENSERCH ENERGY, INC., OF WASHINGTON, D.C. IS LOOKING

INTO THE POSSIBILITY OF FORMING A JOINT VENTURE WITH PERFORACIONES MARINAS DEL GOLFO (PERMARGO) TO DO ON-SHORE DRILLING THROUGH ITS POOL CO. SUBSIDIARY. PERMARGO CURRENTLY OPERATES A NUMBER OF BARGE MOUNTED RIGS UNDER CONTRACT TO PEMEX. PEMEX DIRECTOR GENERAL JORGE DIAZ SERRANO WAS THE PRINCIPAL SHAREHOLDER IN PERMARGO BUT LIQUIDATED HIS HOLDINGS IN OCTOBER, 1975. PERMARGO ESTIMATES THAT THERE IS ABOUT A 60 PERCENT CHANCE THAT AGREEMENT CAN BE REACHED AND EXPECTS TO HAVE AN ANSWER IN ABOUT FOUR WEEKS. ENSERCH FIGURES THEY COULD EVENTUALLY HAVE 15 TO 25 RIGS DOING PRIMARILY WORKOVER BUT POSSIBLY ALSO PRODUCTION WELL DRILLING AND WELL COMPLETION. ENSERCH OFFICIAL IS RECOMMENDING THAT HIS COMPANY PROCEED WITH FURTHER DISCUSSIONS AT THE TECHNICAL LEVEL AND AGREED TO KEEP THE EMBASSY INFORMED.

4. DISCUSSIONS ON CONTRACT DRILLING ARE UNDERWAY BETWEEN PEMEX AND ITS UNION AS THE UNION HAS HAD A MONOPOLY ON ON-SHORE DRILLING SINCE ABOUT 1970. THE UNION WOULD HAVE TO GIVE ITS APPROVAL TO ANY CONTRACT DRILLING SINCE IT WOULD ALMOST CERTAINLY INVOLVE NON-UNION PERSONNEL. IN A RELATED MANNER, EMBOFFS WERE TOLD PEMEX DOES NOT EXPECT TO ENCOUNTER LABOR PROBLEMS IF IT NEEDS TO USE FOREIGN CONTRACTORS TO BUILD ITS PROPOSED GAS PIPELINE. THOMPSON

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Message Attributes

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Sent Date: 14-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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